

Message Text

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17

ORIGIN ARA-10

INFO OCT-01 ISO-00 CCO-00 CIAE-00 OTPE-00 EB-04 FCC-01

INR-05 NSAE-00 OC-01 RSC-01 COME-00 OIC-01 IO-04

OPIC-03 /031 R

DRAFTED BY ARA/PAN:HLSTEIN:JVC

APPROVED BY ARA/PAN:SMBELL

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R 211849Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY PANAMA

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E.O. 11652: N/A

TAGS: ETEL, EINV, PN

SUBJECT: COMSAT BUY-IN OF INTERCOMSA--INDICATION OF
CONTINUING PANAMANIAN INTEREST IN U.S. INVESTMENT

1. IN TELEPHONE CONVERSATION WITH ARA/PAN, JOHN JOHNSON, PRESIDENT OF COMSAT GENERAL CORPORATION, ADVISED THAT ON OCT. 10 COMSAT HAD CULMINATED 20 MONTHS NEGOTIATION WITH GOP BY ACQUIRING 40 PER CENT INTEREST IN INTERCOMSA, PANAMANIAN INTERNATIONAL TELECOMMUNICATIONS COMPANY. JOHNSON STATED TERMS OF THE ARRANGEMENT WERE EXACTLY SAME AS THOSE COMSAT HAD SOUGHT EARLIER AND WHICH HE HAD OUTLINED TO AMB. BOWDLER ON JULY 18 AND TO AMBASSADOR JORDEN IN EARLY AUGUST. JOHNSON NOTED THAT TO PREPARE ROAD FOR ACQUISITION GOP HAD APPROVED LEGISLATION COMSAT HAD CONSIDERED ESSENTIAL FOR PROTECTION OF ITS INTERESTS. ALTHOUGH JOHNSON DIDN'T STATE EXPLICITLY, RECORDS OF EARLIER CONVERSATIONS INDICATE THAT THE LEGISLATION WOULD GIVE INTERCOMSA 15 YEAR FRANCHISE TO OPERATE INTELSAT GROUND STATION IN PANAMA. JOHNSON REQUESTED DEPT. INFORM EMBASSY OF CONSUMMATION OF ARRANGEMENT, SINCE PANAMA MAY WAIT SEVERAL WEEKS BEFORE PUBLICLY

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ANNOUNCING ACQUISITION.

2. COMMENT: PANAMA'S WILLINGNESS TO PERMIT U.S.
COMPANY TO OBTAIN LARGE INTEREST IN PANAMANIAN

TELECOMMUNICATIONS FIRM AND TO GRANT PRIVATE COMPANY
LONG-TERM FRANCHISE IS NOTEWORTHY REVERSAL OF TREND
TOWARD NATIONALIZATION IN THIS FIELD EVIDENCED EARLIER
THIS YEAR AND APPEARS TO INDICATE THAT PANAMA WELCOMES
CONTINUED FOREIGN, AND PARTICULARLY US, INVESTMENT. INGERSOLL

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